

1 Title 5. EDUCATION

2 Division 1. State Department of Education

3 Chapter 14. School Finance

4 Subchapter 2. Budgeting, Accounting and Reporting

5
6 *Add Article 2 (commencing with Section 15060) to read:*

7 **Article 2. Standardized Account Code Structure**

8 **§ 15060. Standardized Account Code Structure**

9 (a) The California School Accounting Manual adopted by the State Board of Education
10 pursuant to Education Code section 41010 shall incorporate a standardized account code
11 structure which is a statewide, uniform financial reporting format (based on the definitions and
12 comprehensive chart of accounts set forth in the California School Accounting Manual). The
13 structure shall be designed to provide a flexible statewide accounting system for local
14 educational agencies to use in budgeting and reporting their revenues and expenditures. The
15 structure shall accommodate local, state, and federal reporting needs as determined by the State
16 Board.

17 (b) The standardized account code structure shall include, but not be limited to, the
18 following fields:

19 (1) Fund/Account Group. Each fund is a fiscal and accounting entity, with a self-
20 balancing set of accounts recording cash and other resources, all related liabilities and residual
21 equities and balances or changes therein. Fund types include, but are not limited to,
22 Governmental Funds, Proprietary Funds, Fiduciary Funds, and Account Groups.

23 (2) Project Year. The project year field is used to distinguish the activities of the same
24 grant with different project years within the fiscal year.

25 (3) Resource (Project/Reporting). The resource field identifies the source of funding and
26 is used for accumulating revenues and expenditures to meet various specialized reporting
27 requirements and tracking categorical activities, such as No Child Left Behind (NCLB) Act,
28 Economic Impact Aid, and School Improvement Program.

29 (4) Goal (Program). The goal field defines the objective, such as the target population
30 being served or the education mode (e.g., regular education, special education, or vocational
31 education).

1 (5) Function. The function field describes the activity being performed for which a
2 service or material object is acquired, for example, instructional services, pupil services, and
3 general administration.

4 (6) Object. The object field describes the service or commodity obtained as a result of a
5 specific expenditure (e.g., salaries, books, and capital outlay).

6 (7) Site. The site field is optional, providing local educational agencies the ability to
7 designate specific school sites within their individual accounting systems.

8 NOTE: Authority cited: Section 33031, Education Code. Reference: Section 41010, Education
9 Code.

10
11 Add Article 3 (commencing with Section 15070) to read:

12 **Article 3. Annual Financial Statements**

13 **§15070. Submission of Annual Financial Statements.**

14 Except as provided in Section 15071, every county office of education, school district,
15 charter school, and educational joint powers agency (as defined in Education Code section
16 41023) that elects to use the standardized account code structure, subject to the provisions of
17 Section 39 of Chapter 299, Statutes of 1997, shall submit an annual statement of receipts and
18 expenditures in the format of the standardized account code structure. The form for the annual
19 statement shall be prescribed and amended periodically (to accommodate changes in statute or
20 generally accepted accounting principles for government agencies) pursuant to Education Code
21 sections 1628 and 42100 and shall reflect Section 15060. The form for the annual statement is
22 titled the unaudited Actuals Financial Report, and is incorporated within the Standardized Account
23 Code Structure Financial Reporting Software, version 2003 (revised July 2003) and is available
24 at the following website address: <http://www.cde.ca.gov/fiscal/software/sacs2003all.htm>.

25 NOTE: Authority cited: Section 33031, Education Code. Reference: Assembly Bill 1578,
26 Section 39, Chapter 299, Statutes of 1977, and Sections 1628, 41010, 41023, and 42100,
27 Education Code.

28 **§15071. Alternative Form for Submission of Annual Financial Statements by Charter**
29 **Schools.**

30 (a) Charter schools have the option of reporting their annual financial statements using an
31 alternative form prescribed and amended periodically (to accommodate changes in statute or
32 generally accepted accounting principles for government agencies) pursuant to Education Code

1 section 42100. The alternative form shall be structured for electronic submission of data and is
2 titled the Charter School Unaudited Actuals Financial Report – Alternative Form (new 6/19/03)
3 and is available at the following website address: <http://www.cde.ca.gov/regulations>.

4 The form shall include the following information:

5 (1) Revenues. An accounting of all funds received during the preceding fiscal year,
6 including identification of specific details within the major revenue categories of revenue limit
7 sources, federal revenues, other state revenues, and other local revenues.

8 (2) Expenditures. An accounting of all funds expended during the preceding fiscal year,
9 including identification of specific details within the major expenditure categories of certificated
10 salaries, non-certificated salaries, employee benefits, books and supplies, services and other
11 operating expenses, capital outlay, and other outgo.

12 (3) Other information. An accounting of additional information including beginning and
13 ending fund balances, other sources and uses, assets, liabilities, and reserves.

14 (b)(1) The reporting of financial data by charter schools that are established as
15 governmental accounting entities shall reflect the definitions, and to the extent necessary for
16 accurate financial reporting, the guidance provided in the California School Accounting Manual.

17 (b)(2) The reporting of financial data by charter schools that are established as
18 nongovernmental accounting entities shall reflect the definitions, and to the extent necessary for
19 accurate financial reporting, the guidance provided in the California School Accounting Manual,
20 except for accounting differences required due to their nonprofit status.

21 NOTE: Authority cited: Section 33031, Education Code. Reference: Sections 1628, 41010, and
22 42100, Education Code.

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